

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-605

January 13, 2003

CONSUMERS MAINE WATER –
Skowhegan - Proposed Rate Change
(\$88,460 or 9.9% Increase in Revenue)

ORDER APPROVING
STIPULATION

WELCH, Chairman; NUGENT and DIAMOND

I. SUMMARY

We allow the rate increase for Consumers Maine Water Company – Skowhegan Division (Consumers) as stipulated in the settlement agreement dated January 8, 2003 between the Office of the Public Advocate and Consumers to take effect for service provided beginning January 15, 2003.

II. PROCEDURAL HISTORY

On October 4, 2002, Consumers, pursuant to section 307 of Title 35-A of the Maine Revised Statutes, filed a proposed rate increase for its Skowhegan Division. On October 21, 2002, the Office of Public Advocate (OPA) filed a petition to intervene in the case.

On December 16, a technical conference was held to discuss the schedule, responses to data requests, issues relevant to the rate increase, and the potential for settlement.

On January 2, 2003, Consumers filed a stipulation between itself and the OPA that would resolve the case. On January 8, 2003, Consumers filed a revised stipulation adding language to show the increase over 2001 test year revenues.

III. STIPULATION

The stipulation provides for annual operating revenues of \$976,892, an increase of \$84,983, or 9.53%, over a test year revenue requirement of \$891,879 at existing rates, and an allowed rate base of \$1,993,268. The capital structure and cost of capital included in the stipulation is as filed by the Company based upon December 31, 2001 actuals and current Skowhegan Division specific debt as presented on Exhibit CMW-18B. The rate increase will be allocated pro rata across all metered and fire protection classes.

IV. ANALYSIS AND RECOMMENDATION

In approving a stipulation, we consider whether the parties joining the stipulation represent a sufficiently broad spectrum of interests, whether the process leading to the stipulation was fair and whether the stipulated result is reasonable and not contrary to

legislative mandate. See e.g., *Consumers Maine Water Company, Proposed General Rate Increase of Rockland and Skowhegan Divisions*, Docket No. 96-739 (July 3, 1997) at 2. The Public Advocate represents the using and consuming public, in this case the customers of the Skowhegan Division. The process of discovery, the technical conference and informal conference calls allowed an opportunity for all interested persons to gather information about the needs for the rate increase.

We conclude that the process was fair in that all interested parties had reasonable opportunity to participate. We find that the proposed stipulation resolves this case consistent with the law and the public interest. We have no reason to believe that the stipulation as filed does not result in rates that are just and reasonable and in the best interest of ratepayers. Accepting the stipulation also reduces the risk of increased costs, which would have to be borne by ratepayers, if the case were fully litigated. We further find that the conditions to the stipulation to be reasonable.

V. CONCLUSION

We approve the stipulation filed by the parties on January 8, 2003 in this case and allow the rate increase to be effective on January 15, 2003.

According, we

ORDER

1. That the Stipulation filed on January 8, 2003 be approved;
2. That the Skowhegan Division Rate Schedules, Pages 1 through 4, Fourth Revision filed on January 3, 2003 are approved for effect January 15, 2003.

Dated at Augusta, Maine, this 13th day of January, 2003.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.